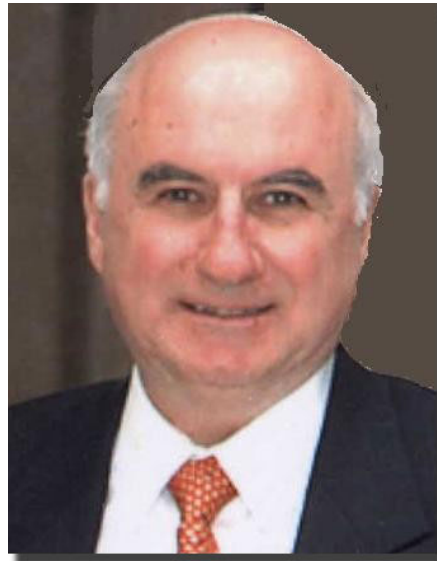




Competitive Sourcing

The Department of Energy's (DOE) Competitive Sourcing program is a management initiative aimed at improving DOE's performance and reducing the Department's operational costs. The program is governed by Office of Management and Budget (OMB) Circular A-76, *Performance of Commercial Activities*, dated May 29, 2003. The commercial activities selected for review and competition include functions performed by government employees that are readily available in the private sector, and where the potential for efficiencies, regardless of the winning provider, are highly likely. The candidate functions are chosen from the Department's annual Federal Activities Inventory Reform (FAIR) Act Inventory and subjected to a feasibility review to determine if a prudent business case can be made to enter the activity into a public-private sector competition. A Competitive Sourcing Executive Steering Group of senior agency officials and advisors, chaired by the Deputy Secretary, oversees the initiative and meets periodically to gauge program status and provide direction to the study teams.



Dennis O'Brien
Director
Office of Competitive Sourcing

The Department's overall goal identified in our Getting to Green Plan provided to OMB is for studying 2,346 Full-Time Equivalent (FTEs) positions between Fiscal Years (FY) 2002-2007. To-date, DOE has completed five competitions involving 401 FTEs performing primarily administrative activities (Graphics, Civil Rights, Financial Services, NNSA-Logistics, and Human Resources/Training), with expected savings of \$77M over five years. There are two ongoing studies, DOE-Logistics (144 FTEs) and Information Technology (642 FTEs), that will result in award decisions by the middle of FY 2005. On September 30, 2004, the Department announced two new competitive sourcing studies involving 724 FTEs. The Environmental Engineering Services (EES) study, which is planned for completion by March 2006, includes 684 FTEs performing certain engineering and associated activities throughout the DOE complex. The New Brunswick Laboratory (NBL) study, with an award decision date of September 2005, involves 40 FTEs performing nuclear materials reference and measurements work at the Department's Chicago, Illinois facility.



The EES and NBL studies involve activities more closely associated with DOE's mission work. The Department has committed to announce additional studies encompassing another 200-400 FTEs by the end of FY 2005 for competition in FY 2006.

Highlights of What We've Accomplished

- *Recognized Leader.* DOE is recognized as a leader in the area of competitive sourcing. DOE was one of the first three agencies to earn a "green" status score for its Competitive Sourcing Program. OMB's FY 2003 Report on Competitive Sourcing Results identified DOE as a model for other Federal agencies.
- *Achieved \$77 Million in Expected Savings.* Since 2002, DOE has completed five competitive sourcing studies that are expected to achieve \$77 million in savings over a five-year period.
- *Launching Additional Studies.* DOE recently announced two new studies involving 724 positions. The first study, which covers positions at the New Brunswick Laboratory (located near Chicago), will be completed in FY 2005. The second study, covering environmental engineering positions, will be concluded in FY 2006.
- *Integrated Competitive Sourcing into Human Capital Plans.* The Department has created a competitive sourcing infrastructure to ensure that competitive sourcing is a carefully and regularly considered management option for enhancing performance and reducing costs.

FY 2005 Goals

- *Complete Ongoing A-76 Studies.* DOE will complete three ongoing A-76 studies in FY 2005. DOE will announce the results of a study of logistics positions at headquarters in February 2005. A major study of DOE's information technology positions will be completed in June 2005 while the study of the New Brunswick Laboratory will be concluded in September 2005.
- *Launch Additional A-76 Studies.* DOE will launch an additional study or studies in FY 2005. The positions that will be studied will be identified through a review process used to determine which positions are best suited for an A-76 study. The review process will begin in March 2005.